

ALERT

Business Groups Identify Essential Water Projects

State Needs Ongoing, Reliable New Water Supplies



With a persistent drought, and a hotter and drier climate, California must look beyond water conservation and recycling and develop new water storage and supply projects, the California Chamber

of Commerce urged Governor Gavin Newsom last week.

On behalf of a broad coalition of organizations, the CalChamber submitted a letter to the Governor, pointing out that even after our current drought ends, two things are certain: we will in the not-too-distant future face another drought, and California is chronically short of water even in “normal” water years.

This is why it’s imperative that the state partner with federal and local agencies and the private sector to urgently develop and implement a Water Supply Strategy that secures ongoing, reliable new water sources to serve the state’s urban and agricultural uses within the decade, the coalition said.

Coalition Recommendations

The coalition recommended that the Water Supply Strategy feature four essential projects:

- **Construction of Sites Reservoir:** The Sites Reservoir would be a new lake in the Sacramento Valley that, when full, could hold enough water to supply 3 million households for one year. It does not rely on snowmelt but captures winter runoff from uncontrolled streams below

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California Fair Pay and Employer Accountability Act Qualifies for 2024 Ballot



The Secretary of State has announced that the California Fair Pay and Employer

Accountability Act qualified for the 2024 ballot on the random sample count of signatures. The initiative’s campaign submitted 962,217 signatures in support of the reform, meeting the 110% validity rate threshold

The ballot measure will put workers’ labor claims back in the hands of the independent regulator, getting their claims handled faster without having to hire trial lawyers that drag out the process and take a third of their settlements. This initiative will also help small businesses around California that have been defenseless against shakedown lawsuits while ensuring willful violators will be fined double the penalties.

The California Chamber of Commerce strongly supports this initiative and is encouraging members to learn more about the important reforms it enacts to the Private Attorneys General Act (PAGA).

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CalChamber-Supported Background Check Bill Will Speed Up Job, Housing Applications



SUPPORT

A California Chamber of Commerce-supported bill that will restore the accessibility of key court electronic indexes for conducting background

checks passed the Assembly Appropriations Committee this week.

The proposal, **SB 1262 (Bradford; D-Gardena)**, preserves access to work by

removing roadblocks to timely completion of employment background checks.

The bill restores the longstanding accessibility of driver license numbers (DLN) and dates of birth (DOB) in California court electronic indexes. Due to the prevalence of common names, this critical information is necessary to establish whether a court record belongs to a specific job or rental housing applicant.

Without a return to the status quo, an applicant’s name could produce hundreds or thousands of records unrelated to that

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Labor Law Corner

Company BBQ: Factors to Consider Before Sending Invites to Employees



Sarah Woolston
Employment Law
Subject Matter Expert

We are having an offsite company barbecue this summer. What should I consider before hosting this event?

Employer-sponsored social events are a great way to boost morale and help employees bond. Before firing up the grill, however, you should consider some important legal concepts.

Wage & Hour

You should first decide whether this barbecue will be mandatory or voluntary. If you are holding the event during regu-

lar work hours, or if the event includes work-related meetings, the barbecue will likely be viewed as mandatory.

For mandatory events, you must not only pay employees for their time attending the event, but you also must provide uninterrupted and compliant breaks. These meal and rest breaks must allow employees to leave the event premises if they so wish. Failure to provide meal and rest breaks could expose you to penalties.

Consider setting a schedule for the day if your event is during working hours. Let employees know the event will only be for a certain timeframe so that you can track their hours worked and whether any breaks are owed. It is also a good idea to have a sign-in sheet at the barbecue, so you know an employee's arrival and departure times, and to document any breaks. You also can consider having a short event that might not trigger meal or rest breaks.

If the event is completely voluntary and outside working hours, communicate this clearly to all employees. Make sure your invitation to employees is in writing and clearly states it is a voluntary extracurricular event. If the event is voluntary, you will not have to pay employees for the time attending the event or for any meal or rest breaks.

Travel Time

If you hold the barbecue offsite and during work hours, you will have to pay employees for the time it took them to travel to and from the barbecue. Travel time, however, may be at a rate of pay that is less than the employee's normal rate of pay if it is communicated clearly in your policies and is at least the applicable state or local minimum wage.

Even if employees carpool together, you will have to pay each employee for their time traveling to the event if it is during regular working hours.

Business Expenses

In addition to paying employees for the time it took them to travel to and from the event if the barbecue is held during work hours, you will also have to reimburse them for gas mileage.

Sexual Harassment

Employees may forget about your zero-tolerance harassment policy at an offsite barbecue. Nonalcoholic beverages are a safe choice because alcohol lowers inhibitions and can lead to inappropriate activity.

If you plan to serve alcohol, consider using drink tickets and setting a

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Alert (ISSN 0882-0929) is published weekly during legislative session with exceptions by California Chamber of Commerce, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Subscription price is \$50 paid through membership dues.

Send email address changes to alert@calchamber.com. Publisher: Jennifer Barrera. Executive Editor: Ann Amioka. Art Director: Neil Ishikawa. Capitol Correspondent: Sara Proffit.

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CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor and Employment

Leaves of Absence: Making Sense of It All Virtual Seminar. CalChamber. August 25–26, September 29–30, Online. (800) 331-8877.

HR Boot Camp Virtual Seminar. CalChamber. September 8–9, Online. (800) 331-8877.

Best Practices for Compliant Paid Time Off Policies. CalChamber. September 15, Online. (800) 331-8877.

Virtual HR Symposium. CalChamber. November 3–4. (800) 331-8877.

Business Resources

Invention-Con 2022. U.S. Patent and Trademark Office. August 10–12, Online. (571) 272-7517.

International Trade

2022 Taiwan Trade Shows. Taiwan External Trade Development Council.

Through October 30, Online and In-Person. +886-2-2725-5200.

Creative Expo Taiwan. Taipei Economic and Cultural Office in San Francisco. August 10–14. Kaohsiung, Taiwan. (415) 362-7680.

10th Annual Global Supply Chain Summit. University of Southern California. August 11–12, Los Angeles and Online.

Japan Infrastructure Investment Forum. Ministry of Land, Infrastructure, Transport and Tourism, U.S. Department of Transportation, California State Transportation Agency. August 23, San Francisco. (415) 780-6064.

Exporting 101: Pathways to Developing International Markets. California Centers for International Trade Development. August 24, November

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The Workplace

Update on CalChamber Efforts to Secure Changes to Important Bills



In Episode 156 of The Workplace podcast, CalChamber employment law expert Matthew Roberts and CalChamber policy advocates

Ashley Hoffman and Robert Moutrie give a legislative update on four important proposals that will affect California businesses:

SB 1162 (Limón; D-Goleta), AB 2188 (Quirk; D-Hayward), SB 1044 (Durazo; D-Los Angeles) and SB 1149 (Leyva; D-Chino).

Each California legislative session begins in January and ends with a governor's deadline to sign bills passed by both houses of the legislature. We are in the last month that any legislation may be presented to the governor for signature, Roberts says in kicking off the podcast.

Now is a good time to circle back on key legislative proposals that are still moving forward, but may have substantially changed since they were introduced at the start of the year, he says.

SB 1162

SB 1162 is a proposal that has been discussed a couple of times before on The Workplace podcast. The bill started with three different parts, but these have now dwindled down to two, Hoffman explains.

The first section makes changes to pay data reports from the California Department of Fair Employment and Housing (DFEH). Under SB 1162, these pay data reports would be published

online, and employers with 100 or more employees would have to report the mean and median wage for each job category (out of 10 job categories), broken down by race and gender. The reports would also now need to include contractors.

The second section of SB 1162 is mirrored after similar Colorado, New York and Washington statutes that would require employers to put a salary range on every job posting. This section also states that if a current employee asks what the salary range is for their position, the employer must provide that information.

The CalChamber has designated SB 1162 a job killer bill, primarily because it requires that reports be published online. While the bill overall is well intentioned in trying to address a wage gap that exists, Hoffman says there's a big misunderstanding as to what these pay data reports actually show versus how the reports will be used.

The reports are a very broad way to look at a workforce.

"You are grouping together workers in very broad categories, as broad as 'professionals.' So if you think of a hospital, that would encompass nurses, but it would also encompass someone who just graduated college and starting in your HR department, it's truly a broad category," she points out. "But we will be putting out there to the public what the average pay is, broken down by race and gender in these different categories. And it's going to give off the impression that that means there's some sort of wrongful conduct going on when that's not true."

The U.S. Equal Employment Opportunity Commission (EEOC) has stated that pay data reports were never

intended to actually compare similar workers. The reports also do not take into account any of the factors allowed by the California Equal Pay Act or antidiscrimination statutes. The CalChamber's concern, Hoffman says, is that this data is going to be held out in the media, in the legislature, or in court, by plaintiff's attorneys as proof of wrongful conduct when in fact there is none.

AB 2188

AB 2188 has seen some substantial changes over the course of the year. When it was introduced in January, the bill would have effectively prohibited all employers from using pre-employment drug testing for marijuana, and would have potentially created conflict with federal law for those employers who are compelled to do federal drug testing related to marijuana, Moutrie explains. The bill also changed the type of testing that could be used, moving away from hair and urine tests.

The CalChamber labeled SB 2188 a job killer bill and fought hard against these problematic aspects and was ultimately successful in getting some amendments.

When it comes to drug testing, employers can conduct a drug test for marijuana on three occasions: pre-hire testing, reasonable suspicion-based testing and for certain sensitive positions. These tests, Moutrie says, are usually conducted with a hair or urine test that would show usage of marijuana, potentially going back months.

SB 2188's proponents were concerned that this data shows marijuana usage

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CalChamber Member Feedback

"CalChamber's focus on business, compliance and driving positive culture, and their solid working relationships at the State Capitol, complement and align with our company's values and business goals."

Dominick C. Johnson
President
Reyes Beer Division, Los Angeles Market Unit

New Article Shows Record Number of PAGA Filings During Pandemic



While most business operations seemed to slow down during the COVID-19 pandemic,

new data shows that one industry did not: plaintiff's firms filing lawsuits.

Private Attorneys General Act (PAGA) filings were sky-high in 2020 and 2021, with a record 6,502 PAGA notices filed in 2021.

A recent [article](#) by Ogletree, Deakins, Nash, Smoak & Stewart, P.C. reviewed PAGA filings during the pandemic. Filings increased drastically in 2020 and 2021. March 2020, the month when the Governor declared a state of emergency due to COVID-19, set a new record for the most PAGA filings ever in a single month: 632.

That record was passed the following year in March 2021 when 647 notices were filed. Comparing 2018–2019 to 2020–2021, the article found that there was a significant increase in filings per month in 8 of the 12 months of each year.

Plaintiffs' Law Firms

The top filing plaintiffs' law firms were largely responsible for this trend. The top 10 firms had an average increase in filings of 68.5%, with one firm having a 400% increase. Small and mid-size businesses as well as hospitals faced the brunt of the lawsuits.

Data has shown that PAGA lawsuits benefit attorneys, not workers, and we now know that attorneys are continuing to exploit the COVID-19 pandemic to reap those benefits.

The current average payment that a worker receives from a PAGA case filed in court is \$1,300, compared to \$5,700 for cases adjudicated by the state's enforcement agency. Even though workers are receiving higher awards in state-adjudicated cases, employers are paying out 29% less per award. This is because of the high attorney fees in PAGA cases filed in court.

Attorneys usually demand a minimum of 33% of the workers' total recovery, or \$372,000 on average, no matter how much legal work was actually performed. In addition to receiving lower average recoveries in PAGA cases, workers also wait almost twice as long for their owed wages.

Uncertainty Continues

Whether this trend will continue into 2022 and 2023 is far from settled. Just weeks after the U.S. Supreme Court confirmed in an 8-1 decision that a plaintiff whose individual claims are compelled to arbitration loses standing to serve as a PAGA plaintiff on behalf of other employees' claims, the California Supreme Court granted review in *Adolph v. Uber*. Adolph's attorneys argue that the Supreme Court got it wrong and that, essentially, once an employee experiences a Labor Code violation, they are forever an "aggrieved employee" with standing to bring a representative PAGA claim.

Around the same time as the *Adolph* case was granted review, it was also confirmed that the CalChamber-supported California Fair Pay and Employer Accountability Act to replace PAGA qualified for the 2024 ballot. That initiative will put an end to the incentive for plaintiff's attorneys to file frivolous lawsuits.

PAGA will be a key issue to watch over the next several years and one that all California employers should follow closely.

Staff Contact: Ashley Hoffman

Fair Pay and Employer Accountability Act Qualifies for 2024 Ballot

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"We are excited to take this measure directly to the voters who will vote to empower the Labor Commissioner instead of continuing to line the pockets of some unscrupulous trial attorneys," said CalChamber President and CEO Jennifer Barrera. "We are positive that when voters learn more about how these bad actors have taken advantage of PAGA, leaving workers with less money, they will vote yes on this reform."

Why Reform Is Urgently Needed

Frivolous lawsuits brought under PAGA have cost California businesses billions of dollars, all while workers are left waiting years to receive very little and attorneys walk away with millions.

The California Fair Pay and Employer Accountability Act would replace PAGA with increased enforcement mechanisms

in the hands of the Labor and Workforce Development Agency (LWDA) so that workers recover wages faster and employers are no longer targeted by frivolous private litigation.

PAGA was enacted in 2004 to help the LWDA enforce California's labor laws. It allows employees to sue for any Labor Code violation as if they were the state. Because it deputizes private attorneys to file lawsuits on behalf of those employees, it has been abused.

Attorneys can leverage PAGA's penalties to get big settlements even if the claims have no merit. The employer ends up paying a hefty sum with much of the money going to the attorneys and very little going to workers or the state.

PAGA lawsuits have increased more than 1,000% since the law took effect in 2004. By 2016 and every year since, the LWDA has received between 4,600 to

6,000 PAGA notices. Plaintiff's attorneys capitalized on the COVID-19 pandemic, filing a record number of PAGA notices in March 2020. Data also shows that those attorneys have preyed primarily upon small and mid-size businesses in recent years. Employers have paid out billions of dollars in PAGA penalties since 2004.

The California Fair Pay and Employer Accountability Act would solve this problem by:

- Replacing PAGA with alternative enforcement mechanisms through the state;
- Ensuring 100% of penalties go to workers;
- Speeding up recovery of wages and penalties for workers; and
- Doubling penalties where employers willfully violate the law.

California Needs a Digital Trade Deal

**Jennifer Barrera**

It's no secret that technology is the backbone of California's economy. In fact, despite the roadblocks posed by the pandemic, the tech sector helped propel California to a \$15 billion tax surplus for the 2021–22 fiscal year and a projected \$31 billion surplus next year.

**Myron Brilliant**

However, the role of digital trade in driving the state's economic success is often overlooked. In 2020, information and communications technology (ICT) services accounted for 16% of California's total service exports, supporting nearly half a million jobs.

But as digital exports become an even larger part of the economy — in California and the rest of the country — it is imperative that the U.S. seize this opportunity for global leadership. To push back against a rising tide of digital protectionism, the U.S. needs to negotiate an enforceable digital trade agreement with allies and partners around the globe.

Digital Export Growth

As the digital revolution has unfolded over the past decade, U.S. services exports delivered to customers over-

seas digitally have more than doubled. From software and computer services to audiovisual and financial services, digital services exports have become a major player in the U.S. economy and abroad.

Commentary

By Jennifer Barrera
and Myron Brilliant

Especially in the aftermath of the pandemic, demand has never been higher for digital services. In 2020, \$84 billion of ICT services were digitally exported out of the United States. Of that \$84 billion, California led the way, exporting approximately \$21 billion worth of services — a quarter of total exports.

According to a report by the U.S. Chamber of Commerce, California's digitally tradeable services exports supported 293,000 direct jobs and 201,000 indirect jobs for Americans.

However, global barriers to digital services exports are also growing. Other countries are adopting protectionist and discriminatory digital rules that unfairly target U.S. and California companies. These threats pose a major hurdle to American competitiveness and economic growth, and it is time we start addressing these threats head-on.

Ability to Move Data

How would it work? A digital trade agreement would guarantee the ability to move data across international borders, prohibit forced localization of data or restrictions based on nationality of ownership, and bar customs duties on electronic transmissions, among other objectives.

A digital trade agreement also is needed to ensure small businesses can continue their export growth. Digital

tools have made it vastly easier for smaller firms to advertise their products in foreign markets in effective and targeted ways. International payments and customs clearance also have been streamlined dramatically by digital tools.

As a result, small companies that previously may have exported to just one or two markets abroad are tapping entire regions and watching export sales soar.

When looking for partners for a digital trade agreement, the U.S. should look to both established and potential markets. For example, Singapore has been importing services from California at a rapid pace, with exports of potentially ICT-enabled services to Singapore growing 330%, from \$1.1 billion in 2011 to \$4.8 billion in 2020.

Other Southeast Asian countries are starting from a lower base but hold significant promise, as do countries in the Americas and longtime partners like the U.K.

Key Partners

Our recommendation is that the U.S. should negotiate an enforceable digital trade agreement with key partners who share our ambitions. The administration should approach a group of high-potential partners we've called the "Digital Dozen" — including select economies from the Indo-Pacific, the Americas, and the U.K.

The U.S. has not entered into an agreement with a new trade partner in a decade, and a digital trade agreement offers the perfect opportunity for new partnerships abroad. As a leader in digital trade, California should lend its support.

Jennifer Barrera is president and CEO of the California Chamber of Commerce. Myron Brilliant is executive vice president and head of international affairs at the U.S. Chamber of Commerce.

Business Groups Identify Essential Water Projects

From Page 1

the existing reservoirs in the Sacramento Valley. Because of this, it will inherently adapt to future climate conditions and will be operated to improve water supply resilience to the predicted changes in weather.

Last year, the California Water Commission advanced the Sites project by confirming its eligibility for some state bond funding to help meet the overall price tag for the reservoir. This is a good start, but more needs to be done more quickly, including a commitment to securing the necessary water rights to operate the project and obtain funding, streamline permitting and fast-tracking any legitimate litigation, as well as identifying additional funds to advance the design and construction schedule, the coalition said.

• **Water capacity restoration at current reservoirs:** A surprising amount of reservoir capacity is underutilized and cannot be operated at full capacity because of dam safety and seismic concerns, the coalition pointed out.

Since these reservoirs are already in the ground and part of the water supply system, their rehabilitation represents a cost-effective strategy to store more supplies. State and local officials should identify and fast-track funding and streamline permitting for dam safety retrofit projects that could restore substantial existing storage in a relatively short time.

• **Construction of desalination plants:** Another promising approach that calls out for a focused effort and leadership is desalination.

Earlier this year, the Coastal Commission missed an opportunity to demonstrate how to approve an important and needed technology, rather than leaving desalination investors to guess at what, in the words of the commission chair, constitutes “intelligent” desalination. Several other desalination plants are currently in the pipeline elsewhere in California, and they deserve a better roadmap to regulatory success, the coalition said.

“As we have self-imposed limitations on developing surface and ground storage, we should in turn support creative options that utilize technology and efficient land use to deliver quality potable water for urban use,” the coalition urged.

• **Proposal of new Sacramento-San Joaquin Delta water transmission infrastructure:** This year marks the 40th anniversary of voter rejection of a Sacramento-San Joaquin Delta water conveyance proposal, known then as the Peripheral Canal. Four decades have passed without a new agreement on water transmission infrastructure or even operating principles.

The coalition explained that improvement of existing Delta infrastructure is not an option, especially considering the ongoing degradation of natural habitats under the status quo, and the threat of catastrophe should Delta levees collapse from an earthquake or rising sea levels.

“Tens of millions of Californians depend on water conveyed through the Delta, which will require more efficient technology, infrastructure, and operations

to increase water available for human consumption and commerce,” the coalition said.

Economic Impact of Drought

California’s persistent drought has become a grave threat to the state’s economy.

Last year, drought forced the agricultural industry to shrink by an estimated 8,745 jobs and shoulder \$1.2 billion in direct costs as water cutbacks forced growers to fallow farmland and pump more groundwater from wells, according to research from the University of California, Merced.

This year, the effect on agriculture will only be worse, given the unprecedented moratorium on water exports and the regulatory limitations on groundwater pumping, the coalition explained. California’s summertime energy reliability challenges also will be exacerbated by the likely absence of major portions of its traditional hydroelectric capacity. Moreover, water-dependent manufacturers, producers, builders and consumers will face uncertainty and higher costs as long as the drought afflicts California.

In the short term, conservation, recycling and wise water use are the best and most effective strategies, but California should also develop a new water storage plan so that we can count on a reliable water supply with a much better margin for safety, the coalition stressed.

Company BBQ: Factors to Consider Before Sending Invites to Employees

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two-drink maximum. You should also consider the location of your event. If you hold it at a bar or club, this could alter how employees act versus if you held it at a park or an outside communal area at your office.

You also should consider providing shuttles or safe rides home if you provide alcohol. Even if you do not plan to serve alcohol, it is a good idea to have employ-

ees re-sign an acknowledgment of your anti-harassment policy in anticipation of this event.

Workers’ Compensation

It also is important to keep in mind that if any employee is injured during your event during work hours, this would likely be considered a work-related injury.

Keep this in mind if you plan to provide any bounce houses, games or

activities. A liability waiver will not avoid this responsibility.

Column based on questions asked by callers on the Labor Law Helpline, a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at www.hrcalifornia.com.

California Works

Prologis: Delivering Logistics Solutions and Services California Customers Need



This article is a part of a series of profiles of CalChamber member companies that are contributing to the state's economic strength and ability to stay competitive in a global economy. Visit [California Works](#) to learn more about this series and read past and future profiles.



With California roots dating back to 1983, [Prologis, Inc.](#) is the global leader in logistics real estate, with a portfolio of approximately 1.0 billion square feet in 19 countries.

Prologis leases modern logistics facilities to 5,800 customers, including major brands, third-party logistics providers and small-to-mid-sized businesses based here in California.

Prologis facilities enable 2.5% of the world's GDP and the company optimizes its global asset portfolio to offer customers worldwide solutions to modernize their supply chains.

As part of the Biden administration's focus on addressing supply chain vulnerabilities and congestion, a new federal effort — the FLOW (Freight Logistics Optimization Works) initiative — is designed to increase the exchange of information between aspects of the goods movement supply chain. Launched in March 2022, many public and private organizations have been invited to help, including California's own Prologis.

With its global headquarters in San Francisco and its biggest market in Southern California, California continues to be at the heart of Prologis' business. The company owns and manages more than 500 warehouses and properties across [Los Angeles County](#) and the [Bay Area](#) alone, serving hundreds of local customers of all sizes to provide the facilities and services crucial to starting and maintaining a highly efficient supply

chain, including operations, energy, workforce, transportation and digital resources. These facilities are critical to ensuring that California remains the gateway to commerce for the United States.

Supporting Consumers' E-Commerce Needs

Demographic trends, the rapid pace of technological change and COVID-19 have transformed how we live and our notion of what is possible, driving an evolution in retail and boosting logistics demand. Consumers appreciate

Prologis works closely with its customers to deliver lasting ecosystem stability and establish resilient communities as the need for more warehousing grows to meet expanding economic activity and deliver the essential products people rely on, including food and medicine.

Building a Green Future

Sustainability has long been embedded in Prologis' business strategy and customer offering. The [company has committed to achieving](#) net zero emissions across its value chain by 2040.

In its 2021–22 environmental, social and governance (ESG) [report](#), Prologis reported a decrease in its scope 3 emissions by 38% from a 2016 baseline.

An industry leader in sustainability, Prologis became the first logistics real estate investment trust (REIT) to set science-based emission reduction targets and was among the first in its sector to publish a sustainability report.

It has appeared on Corporate Knights' Global 100 Most Sustainable Corporations in the World list 13 times as of this writing and was awarded the 2021 inaugural Terra Carta Seal by His Royal Highness The

Prince of Wales, given to only 45 companies in the world.

Additionally, the [U.S. Green Building Council](#) (USGBC) honored Prologis this year with its Leadership Award for the company's exemplary commitment to green buildings.

Prologis supports the broader sustainability ecosystem; its [ventures](#) arm invests millions in early- and growth-stage companies focused on ESG-related solutions.

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Photo courtesy Prologis

A distribution center in the Inland Empire after installation of LED lights.

what e-commerce offers: convenience and choice. The COVID-19 pandemic supercharged the growth of e-commerce, which extends across a wide range of retailer categories and product lines.

The e-commerce customer base is international and spans a wider range of organizational types. These businesses need high-quality warehouses and distribution centers closer to their customer base to meet today's consumer expectations for fast doorstep delivery.

Delivering Logistics Solutions and Services California Customers Need

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Helping Customers Reach Sustainability Goals

With some of the world's largest brands as its customers, Prologis takes a collaborative approach to understanding its environmental goals. The company uses its scale and develops tailored solutions that lower energy costs and ensure access to clean, renewable energy sources — driving its customers' sustainability operations forward.

The company offers a portfolio of services and solutions that go beyond the four walls of a warehouse. Prologis' [Essentials Platform](#) offers critical energy solutions, including smart lighting, smart metering and energy storage.

It also includes the [SolarSmart](#) program, where solar arrays are installed on its facilities with no out-of-pocket cost to customers. Prologis has the third-largest commercial rooftop solar program in the country and in June announced a goal to achieve 1 gigawatt (GW) of solar generation capacity (supported by storage) by 2025.

Currently, 42% of Prologis' California portfolio includes LED lighting energy installations and 194 buildings are equipped with solar arrays.

The company also is investing in a cutting-edge [electric vehicle \(EV\) solution](#) to help customers modernize and electrify their fleets. Prologis' approach helps make the shift to EVs seamless and scalable, and the benefits of this change will be groundbreaking — customers can reduce emissions by up to 96%.

Making a Positive IMPACT in Its Communities

Wherever Prologis does business, it partners with the local community to help strengthen the economy and culture. This happens in a variety of ways, from job training to community volunteering and offering space to local nonprofits.

For example, every year in May, Prologis employees worldwide step away from their desks and roll up their sleeves for [IMPACT Day](#), the company's global day of service. Named for the company's values of Integrity, Mentorship, Passion, Accountability, Courage and Teamwork, IMPACT Day brings together employees to do their part for the communities where they live and work.

This year, Prologis employees

Prologis, Inc.

Co-Founder, CEO and Chairman:
Hamid R. Moghadam

Customers: **5,800 in 19 countries**

Employee count:
850,000 under Prologis' roofs

Assets under management: **\$180 billion**

Company headquarters:
Pier 1, Bay 1, San Francisco, CA

Company Business Segments:

- **Logistics real estate**
- **Warehouse leasing/management**
- **Property investment/development**
- **Helping customers reach sustainability goals in energy, transportation and more**



supported 76 projects in 18 countries. This included 19 projects supporting [Habitat for Humanity](#) to build and improve homes in partnership with families in need of affordable housing. Specifically, its team members in San Francisco supported [Bay Area Rescue Mission](#), [Bridgeview Gardens](#) and [Project Glimmer](#).

Prologis is very proud of its [Community Workforce Initiative \(CWI\)](#), a free program that helps revitalize career pathways by teaching the fundamentals of e-commerce, supply chain and inventory management, and other skills required for careers in logistics. Launched in 2018, CWI has trained 13,000 individuals with the goal of training 25,000 by 2025.

In California, the company has invested more than \$2 million over the last three years to scale programs in Los Angeles, San Francisco, Oakland, Long Beach and Tracy. Collectively, these programs have already helped more than 1,000 people find jobs and internships in the logistics industry.

Prologis' Northern California [training program](#) has worked with a consortium of regional education, workforce and economic development partners to build a skilled and ready workforce pipeline. And, through its partnership with Southern California nonprofit organization EXP, Prologis helped launch the "[EXP Internship Program: Powered by Prologis](#)," which has placed more than 350 high school students from communi-

ties around the ports of Los Angeles and Long Beach in local trade internships.

Prologis' global Space for Good program provides temporary rent-free warehouse space to address disaster relief efforts and short-term logistical needs for charitable organizations.

Specific to COVID-19, Prologis has provided 1.6 million square feet of space, amounting to \$9.3 million of in-kind rent, for organizations such as the San Francisco-Marin Food Bank, Second Harvest Food Bank and the California Department of General Services.

Continuing to Break New Ground

Prologis works hard to find ways to support the pioneers making a difference in communities and industry through its [Groundbreakers platform](#). Groundbreakers, which comprises a digital magazine and annual event series, highlights the trends and trendsetters shaping the future of the global flow of goods. It features people, among them U.S. Secretary of Transportation [Pete Buttigieg](#), who are making the future of the modern supply chain and logistics possible.

Prologis is proud to call California home and welcomes colleagues from around the world when they visit. Prologis takes its role as a corporate citizen seriously and, every day, works to make a positive impact, not just in California, but in its communities around the world.

CalChamber-Supported Background Check Bill Will Speed Applications

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individual, rendering it impossible to complete an accurate background check.

Appeals Court Decision

Last May, a California Court of Appeals decision, *All of Us or None of Us v. Hamrick*, halted the 20-year practice of using DLNs and DOBs to filter through records by incorrectly interpreting California Rule of Court 2.507 as prohibiting any electronic access in indexes of DOBs or DLNs, including the ability to use this information as search filters. This decision drastically limits the results returned to users of electronic indexes, causing the background check process to slow to a crawl or grind to a halt.

In a recent letter submitted to legislators and signed by more than 50 businesses and organizations, the CalChamber pointed out that if organizations, including those that are legally mandated to perform background checks on applicants, can no longer use search filters such as a date of birth and driver license number in conducting routine checks of court records, they will be left with nothing but names, and little or no way to associate a court record with a specific individual.

This is especially problematic with the prevalence of common names. Hundreds—indeed, thousands—of potential false positives will result, rendering record search results meaningless, the CalChamber said.

Many businesses and nonprofits are required to perform background checks before they can put people to work. Even if not required, some organizations or apartment owners will conduct checks to ensure that they are maintaining a safe environment.

When a person wants a job or apartment, they often need that opportunity right away. It is vital that the ability to timely review applicants' records is restored, because without SB 1262, those applicants are at risk of being denied access to work and housing, the CalChamber warned.

Staff Contact: Ashley Hoffman

CalChamber-Sponsored Seminars/Trade Shows

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9, February 22, 2023, Online. (559) 243-7280.
ANDICOM 2022. AmCham Colombia. August 31–September 2, Cartagena, Colombia. (601) 587-7828.
Concrete Show South East Asia 2022. MEREBO GmbH Messe International. September 14–17, Jakarta, Indonesia. 49-40-399 99 05-15.
British Politics After Boris Johnson. Institute of European Studies, University

of California, Berkeley. September 19, UC Berkeley Campus and Online. (510) 643-4558.
Discover Global Markets: The Blue Economy: A New Age in Ocean Technology, Sustainability and Logistics. U.S. Commercial Service. September 20–22, Providence, Rhode Island.
Arabian Adventures with the Los Altos Chamber of Commerce. October 4–11, Dubai and Abu Dhabi. (866) 978-2997.

Beijing International Life and Health Industry Expo. Ministry of Commerce, World Federation of Chinese Medicine Societies, Chinese Research Hospital Association, China Chamber of International Commerce. November 25, Online. +86 15801079798.
U.S. EXIM Bank 2022 Annual Conference. Export-Import Bank of the United States. December 13, Washington D.C. (800) 565-3946.

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Update on CalChamber Efforts to Secure Changes to Important Bills

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while done far away from the workplace, such as on a weekend or vacation. After negotiations, the bill will no longer prohibit pre-employment drug testing and will no longer create federal conflict issues. Under the current bill language, starting January 1, 2024, employers will have to use saliva testing, which has a shorter window of detection and will show relatively recent usage (about 24 to 48 hours).

Moreover, Moutrie explains that employers will still be able to do testing and at the same times they normally would have done it. The delayed start date for the bill will allow time for the availability of saliva tests to catch up to the expected demand.

These changes eased most of the CalChamber's concerns, so the job killer tag has been removed, but the CalChamber still remains opposed to the bill overall.

A remaining concern is that the bill creates a new protected class under the California Fair Employment and Housing Act (FEHA) whereby someone who engages in off-site, off-duty medical

marijuana use becomes a protected class. This of course brings potential litigation risks for employers, Roberts says.

SB 1044

Another bill that has gone through several revisions is SB 1044. In fact, Hoffman says, we can expect more amendments to be made to the bill when it goes before the Appropriations Committee due to some concerns being expressed by members of the Assembly.

Presently, the bill states that employers cannot retaliate against a worker who leaves work or does not show up, either because there is a declared state of emergency or an emergency condition, she explains. Once the immediate threat is over, the worker would be required to return to work.

The CalChamber was successful in securing exemptions to SB 1044. For example, health care workers in hospitals, private firefighters and other important emergency personnel will now be exempt from the bill.

The bill remains a job killer, however, because the CalChamber is concerned with the bill's wording and the fact that it

may undermine existing health and safety regulations issued by the California Division of Occupational Safety and Health (Cal/OSHA).

SB 1149

SB 1149 is a bill that has not yet been discussed on The Workplace podcast, but the proposal contains a significant litigation component, Roberts says.

The bill restricts what lawsuit documents can be made confidential. SB 1149 would essentially outlaw protective orders and make it very hard for companies in litigation to protect trade secrets or confidential information, Moutrie explains. Under this proposal, it would be very hard to get a normal protective order in about 95% of cases.

The CalChamber is opposing this bill because it creates substantial concerns for businesses. Companies often deal with information that should not be shared publicly, such as customer lists, pieces of code, formulas or patents. This is information that may have to be exchanged in litigation and is viewable to both parties, but it's something that shouldn't necessarily be released publicly, Moutrie says.



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